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# **CHAPTER 2 || WAGES AND SALARIES**

## **Topic 1: WAGES AND SALARIES**

**Salary** is the payment for labour offered in a given period of time, usually at the end of month.

**Wage** is the payment on work done, mostly paid by the hours.

### **TYPES OF WAGES**

There are 2 types of wages:

- **Hourly wage** = This is the amount an employee is paid for an hour's work.

(rate/fees per hour) x (number of hours worked)

$$\$150 \times 20\text{hours} = \$3000$$

- **Piece wage system** = This is the amount an employee is paid for the work done.

(rate per unit) x (number of units completed)

$$\$100 \times 10\text{chairs} = \$1000$$

### **DEDUCTIONS**

- **Statutory deductions** = These are deductions that are by laws and they have to be deducted e.g. PAYE, Napsa and load deduction.
- **Voluntary deductions** = These are deductions that worker has asked for e.g. housing payments, hire purchase etc.

**TIME CARDS** = This is a card that records the time when an employee starts and stops work.

- Employees must be very honest and fill in their time cards correctly.
- It is illegal to give false information on a time card and a person can lose his job.

### Example 1

## A time card

## CLOTHING RETAILERS

TIME CARD  
HOURLY WAGE

Name of employee: ..... ID: .....

Signature of employer: ..... Position: .....

Date worked	Type of work	Time In	Time Out	Hours worked
<b>Total hours worked</b>				

Signature of employee: .....

**Wage sheets** = Wage sheet is used to check the total amount of the wages (gross wage), net wages and funds.

### Example 2

## A wage sheet

#### CLOTHING RETAILERS

## WAGE SHEET

WAGE SHEET

**Signature of employer:** ..... **Position:** .....

**Signature of employee:** ..... **Position:** .....

**Pay slip** = This is a statement on how much you earned and how much has been deducted.

### Example 3

### A pay slip

## CLOTHING RETAILERS

**WAGE PAY SLIP**

Name of employee: ..... WAGE PAY SLIP Employee No.: .....

Name of employee: ..... Emp. No. ....  
Payment for week/month ended: .....

Deductions	K	Earnings	Tariff	Hours	K
PAYE		Normal time			
UIF		Overtime			
		Total earnings			
		Minus: Total deductions			
Total deductions		Net wage			
Comments	Signed by employer: ..... Date: .....				

# **CHAPTER 3 || PERSONAL FINANCIAL MANAGEMENT**

## **Topic 1: SAVINGS**

Savings is something that is kept, especially money that has been set aside for future use.

Make sure that you always set goals that are S.M.A.R.T. Goals must be:

- i. Specific
- ii. Measurable
- iii. Achievable
- iv. Realistic

### **Example 1**

I want to obtain the highest marks in Business Studies in my class at the end of the year.

S = highest marks in Business Studies [specific]

M = marks can be calculated and checked [measurable]

A = if I work hard, my goal is possible [achievable]

R = my marks are already of the highest in the class [realistic]

T = my goal is set for the end of the year [time-targeted]

By savings, you can help to achieve your goals, such as buying a computer or a car.

### **Traditional method of saving**

Zambian people make regular savings for financing life cycle events such as:

<ul style="list-style-type: none"> <li>• Setting up home</li> <li>• Getting married</li> <li>• Birth of a child</li> </ul>	<ul style="list-style-type: none"> <li>• School fees</li> <li>• Setting up business</li> <li>• Illness and death</li> </ul>
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Savings are also important to make provision for when there is no income.

## Topic 2: Investments

A placement of capital in expectation of receiving income or profit from its use or appreciation.

### Methods of investment

1. **Entrepreneurship** = Identifying an opportunity for investment purposes and using creative and innovative ways to make a success of the investment and to make a profit.
2. **Small business** = Running a small business for the profit money is needed to start and run the business. The owner of the small business can use his own fund e.g. Savings
3. **Farming** = Farming can also be regarded as an investment as you invest in land and infrastructure such as sheep farming.

## Topic 3: Budgeting

Budgeting can save your money and allows you to have more to spend by helping you to use your money wisely.

### Types of budget

- i. **Individual budget** = This is made by a person or an individual on how to spend his/her money.
- ii. **Family budget** = This is made(planned) by a family on how to spend money wisely for the family.

**Example 1****Example of a home budget**

Category	Monthly budget amount	Actual amount	Difference
<b>Income</b>			
Wages/salary	K872	K810	K62
Interest income	K232	K196	K36
Income subtotal	K1104	K1006	K98
<b>Expenses</b>			
Taxes	K386	K397	(K11)
Rent/mortgage	K298	K239	K59
Utilities	K99	K95	K4
Groceries/food	K121	K100	K21
Clothing	K66	K60	K6
Shopping	K55	K46	K9
Entertainment	K44	K44	K0
Miscellaneous	K35	K31	K4
Expenses subtotal	K1104	K1012	K92
Net income (Income – Expenses)	K0	(K6)	

- iii. **National budget** = This budget is planned by the different ministries of the state e.g. Taxes and donors.

### **Reasons for budgeting**

- Budget can serve as a guide to stop overspending.
- Budget can help you to save money.
- Budget gives your flexibility and can be simple.
- Allows you to move money between different expenses throughout the month.

**Budget transparency** is important. It can help to ensure that spending priorities are in line with the needs of the people and create loyalty and belief in the government.

# **CHAPTER 4 || BANKING**

## **Topic 1: Types of financial institutions**

1. **Commercial banks** = Accepts deposits of money by account holders and offers its customers safe keeping of their money e.g Barclays and FNB.
2. **Building society** = It offers banking and financial services, especially mortgage bonds and savings account.
3. **Credit union and savings association** = It offers higher rates on deposit and charge lower rates on loan than commercial banks.
4. **National savings and credit bank** = These are owned by Zambian government. It delivers banking services in all part of the country, especially the rural areas, at an affordable price.
5. **Micro finance companies** = It provides banking services to lower income groups. The main objective of these companies is to lend money to their clients.

## **Topic 2: Services offered by financial institutions**

- i. **Banking** = We can deposit and withdraw the money; it keeps our money safe.
- ii. **Loan facilities** = They offer customers loans, mortgage bonds and bank overdraft.
- iii. **Bank transfers** = Enables to transfer funds between different accounts.
- iv. **Standing order** = This is the payment for fixed amount on a fixed period e.g paying for loans.
- v. **Direct debit** = This is the payment made for irregular amount for an indefinite period e.g payment for water, electricity etc.
- vi. **Atm** = Auto teller machine (ATM) facilities are which can be withdrawn anytime of the day or night.
- vii. **Receive payment** = Customers can receive payments for goods and services sold.

## **Topic 3: Accounts offered by financial institutions / Types of accounts**

- A. **Savings account** = This is an account for low income earners or small savers who do not withdraw frequently.
- B. **Current account** = This is an account that is used by people that need to make payments frequently.
- C. **Deposit account** = This is a special account where money is deposited for a fixed period e.g 3months, 6months or 1year.
  - A higher interest rate is given to the account owners
  - Notice of the withdraw must be given to the bank in case a customer wants to withdraw
- D. **Joint account** = This is an account opened by two or more people e.g husband and wife.

## **Topic 4: Documents used in banking**

- **Bank statement** = The bank statement is the summary of financial transactions which have occurred over a given period of time on a given bank account.

Example 1		Bank statement issued to Nomsa Crafts		
		FIRST NATIONAL BANK Branch: Lusaka	BANK STATEMENT	
Day	Description	Debit (-) K	Credit (+) K	Balance K
1	Balance brought forward			138 250(1)
4	Cheque 16	14 800(2)		123 450
5	Deposit		5 200(3)	128 650
8	Deposit		14 550(3)	143 200
9	Cheque 17	3 200(2)		140 000
12	Cheque 18	5 700(2)		134 300
15	Deposit		23 500(3)	157 800
18	Cheque 20	5 750(2)		152 050
20	Cheque 19	5 500(2)		146 550
21	Deposit		12 400(3)	158 950
28	Deposit		23 400(3)	182 350
31	Cheque 21	24 500(2)		157 850(4)

- **Pay-in slips** = Pay-in slip must be filled in when cash or cheque are deposited into a bank account.

**Example 2**

ABC BANK Pay-in-slip			
Name:			
Signature:			
Account number:			
Date:			
A: Cash deposited:		K	
Notes:			
Coins:			
Total coins			
Cheques:			
B: Names of drawers:			
1.			
2.			
3.			
	Total		
Checked by:			

- **Withdrawal slip** = The account holder can withdraw money from his bank account by means of a withdrawal slip.

**Example 3**

An example of a withdrawal slip when requesting cash (notes and coins)

ABC BANK Cash withdrawal slip			
Name:			
Signature:			
Account number:			
Date:			
	Quantity	K	
Notes:			
Coins:			
Total			

- **Deposit slip** = A deposit slip is in the form of a book that needs to be filled to their specific requirements.

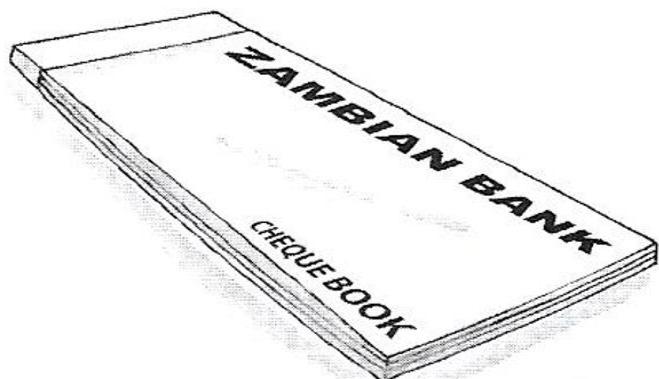
**Example 4 An example of a deposit slip**

ABC BANK Deposit slip			
Name:			
Signature:			
Account number:			
Date:			
A: Cash deposited:		K	
Notes:			
Coins:			
Total coins:			
Cheques:			
B: Names of drawers:			
1.			
2.			
3.			
4.			
5.			
		Total	
Checked by:			

## Cheques/cheque books

A cheque is a written instruction from a person(drawer) with the current bank account to the bank(drawee).

A cheque book is a booklet that contains blank cheques and stubs(counterfoil).



- The cheque is divided from the stub by a perforated line, which makes it easy to tear out the cheque, leaving the stub in the cheque book. The stub is source document used to record each cash transaction in cash book of the account holder.

# **CHAPTER 5 || FILING**

## **Topic 1: Filing system**

Filing can be defined as the arrangement and safe keeping of documents, using a systematic and orderly method.

**Centralised filing** = This is the filing system where a specific department will be responsible for the filing and storing the documents.

- It makes the layout much easier.
- It has security.

**Departmental filing** = Each department in the company will therefore be responsible for the filing and storing their documents.

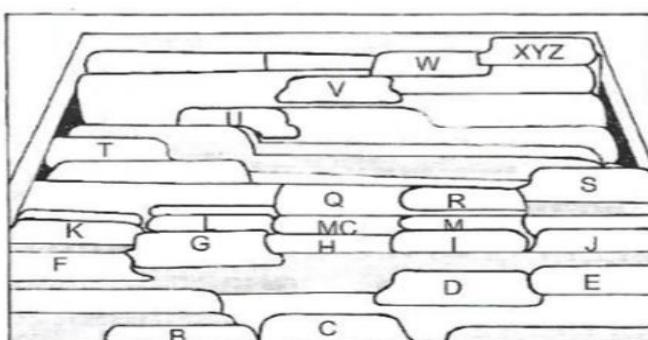
- Space will be needed a lot to store files.
- Documents will be easier to find.

## **Requirements for good filing system**

- It must be safe system that will protect the files e.g dust files.
- It should be flexible enough to accommodate changes.
- It should not be too expensive and must be easy to maintain.
- It must be neat and not take over the whole office.
- The method of filing must apply to all files and records. It should not change.

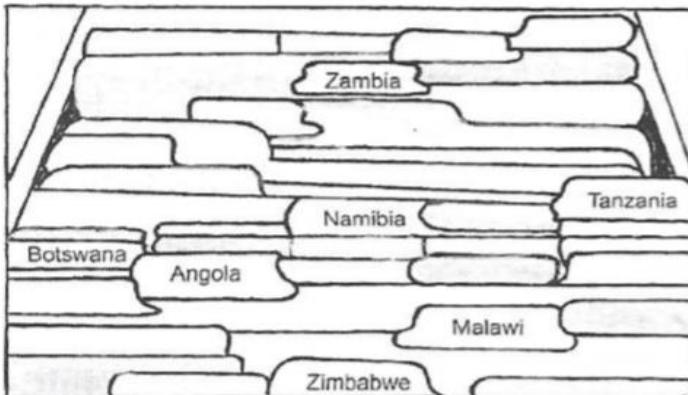
## **Topic 2: Filing methods**

- 1) **Alphabetical filing** = This is the filing of documents according to the alphabet. This is the easiest and most common way of filing.

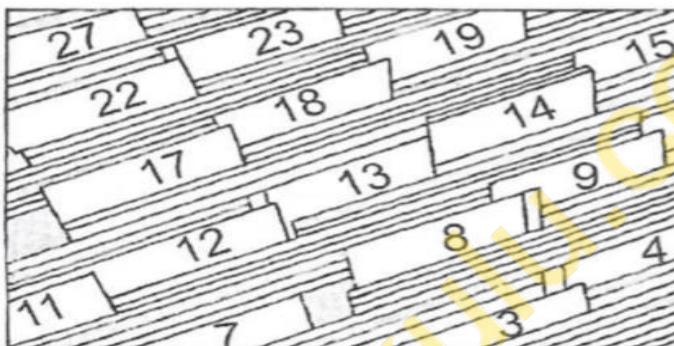


*Filing according to the alphabet*

- 2) **Geographical filing** = Information will be filed according to different cities, provinces or neighboring countries e.g Angola, Botswana, Namibia, Malawi, Tanzania and Zimbabwe.

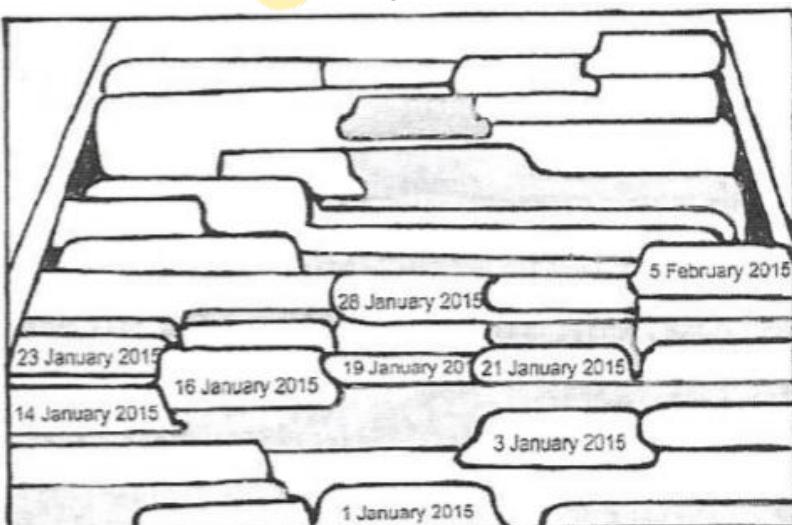


- 3) **Numerical filing** = This method of filing arranges files in numerical order, with each person, business or subject being given a number like (1-100), (101-200), (201-300).



*Filing according to the number on the file/document*

- 4) **Subject filing** = With this method the files will be filed according to different subject headings.



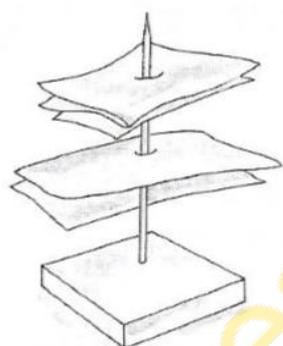
*Filing documents chronologically*

- 5) **Chronological filing** = This method of filing orders the file, documents or records in sequence according to the date of creation.

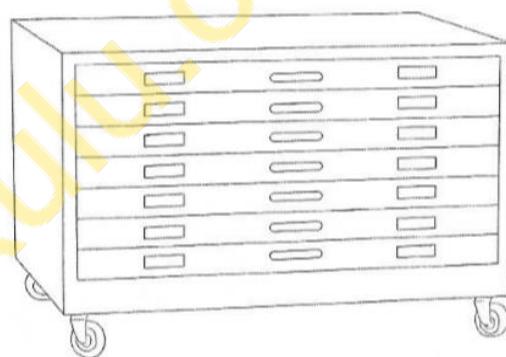
### **Topic 3: Filing equipment**

Filing equipment's help you to organize and store documents in safe place.

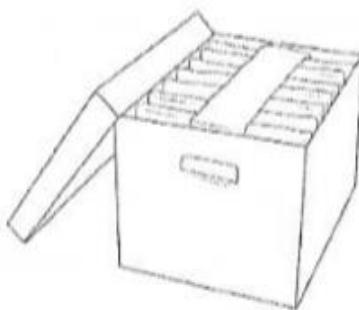
- **Spikes** = It is used to save documents temporarily.
- **Flat or horizontal filing cabinets** = Documents are kept in file covers or folders stacked upon one another in horizontal position.
- **Boxes** = A box file saves groups of emails messages that can later be opened individually.
- **Vertical filing cabinets** = These are specially designed for document to be stored along one another.
- **Lateral filing cabinets** = In lateral filing cabinet, files that are attached to each other are suspended from a rack. These files will never leave the filing cabinet.



*A spike file*



*Flat or horizontal filing cabinets*



*Filing boxes*



*Vertical filing cabinets*

# **CHAPTER 6 || POSTAL AND TELECOMMUNICATION SERVICES**

## **Topic 1: Postal services**

The post office offers different types of mail services and provides postal services which means it transports mails and parcels from one point to another.

1. **Mail** = These deals with ordinary mails like letters, postcards, parcels, printed matter and literature for the blind.
2. **Courier services** = A courier service is a service that allows someone to send a parcel or consignment from one location to another.
3. **Poste restante** = Poste restante means *post remaining*. This is a service where the post office holds mail until the receiver comes to collect it.
4. **Railex** = Railex is a refrigerated rail service that transports fruits, vegetables and other temperature sensitive cargo.
  - Cargo is transported in pallets
5. **Express mail** = Express mail is a domestic(local) and an international delivery service.
6. **Registered mail** = Registered mail is used when something valuable is mailed and needs special security.
7. **Parcels** = An object or collection of objects wrapped in order to be carried or need to be sent locally or internationally.
8. **Business reply** = A service by which a customer may send a reply card, letter or package through the mail to a business, which the business pays for.
  - The forms are returned using a free business reply service.
9. **Circulars** = Circulars are the letters or advertisements which is distributed to large number of people.
10. **Data post** = This service makes it possible for a letter to be tracked when it's not delivered.
11. **Private bag** = Private bags are used for a business that receives large volumes of mail. It has security of the mail.
12. **Franking** = An official signature/mark on a letter to indicate that postage has been paid. Franking includes the following activities:

• Frank	• Seal (the envelope)	• Count the items
• Date	• Print a return address	

## Topic 2: Telecommunication services

Telecommunication is a communication over a distance by cable, telephone or broadcasting.

**Telephone** = A telephone is a telecommunication device used for two-way talking with another person.

- Easy to use.
- Fastest way to communicate.
- Reliable.

**Phonogram** = Phonogram is a telegram that is sent to the post office by telephone.

- ❖ The message must be read very slowly to the post office operator to make sure that correct message is received.

**Telegram** = If you want to communicate very quickly with someone who is not available by telephone, you can send a telegram.

- A telegram is a message sent by a telegraph, which is also called a wire.

**Radio messengers** = Radio messengers are small, electronic devices that operate similar to a mobile phone. They do not have numbers rather call & answer button.

**Telex** = A telex is a typed message that is sent while it is being typed. The message is received on teleprinter as it is being typed.

**Facsimile (FAX)** = A facsimile is a copy or reproduction of an old book, map, art print or other item of historical value that is as true to the original source as possible.

**Internet** = The internet is the largest global network that any set of computer networks can communicate using the internet protocol (an intranet).

# **CHAPTER 7 || COMMONLY USED BUSINESS ABBREVIATIONS**

## **Topic 1: Business abbreviations**

An abbreviation is any shortened form of a word or phrase. Abbreviations are used for convenience. They are easy to remember and pronounce e.g Zambia Revenue Authority to ZRA.

***The following are the commonly used business abbreviations:***

ABBREVIATION	MEANING
A/C	Account(s)
ADC	Advice duration charge
AOB	Any other business
Bal	Balance
B/d or B/f	Balance brought down/forward
C/f or C/d	Balance carried down/carried forward
Bros	Brothers
C.A.I	Cash against invoice
C.C	Carbon copy or courtesy copy
C.W.O	Cash with order
Cert	Certificate
Chq	Cheque
C.N	Credit note
Co	Company
C/O	Care of
C.O.D	Cash on delivery
Cr	Credit
Dept	Department

\$	Dollars
do	Ditto or same as
Dr	Debit
E.M.S	Express mail service
E.g	For example, or example given
E&OE	Errors and Omissions excepted
Esq	Esquire or Mr.
etc	Etcetera etcetera/ and so on
FAS	Free alongside shipping
Fax	Facsimile
Fcp	Foolscap
F	Folio or Page
Fig	Figure
F.Y.A	For your action/ attention
F.Y.I	For your information
Govt	Government
i.e	That is
Inc	Incorporated
Inv	Invoice
I.O.U	I owe you
£	Pound
€	Euro
Ltd or Pvt	Limited or private
Max	Maximum
Memo	Memorandum
Messrs	Gentlemen, sirs
N/A	Not applicable
NCR	No carbon required

N.B	Nota <i>benie</i> or take note
No	Number
O.N.C.O	Or nearest cash offer
%	Percent
P.A	Per annum or per year
P.C	Personal computer
P.T.O	Please turn over
R/D	Refer to drawer
Re or Ref	Reference
RTS	Return to sender
St	Saint or Street
STD	Subscriber trunk dialing
UFS	Under flying seal
VAT	Value added tax
VIP	Very important person
Via	Through or by way of
Viz	Viza viz or Namely
Yrs	Yours

# **CHAPTER 8 || ENTREPRENEURSHIP**

## **Topic 1: Business management**

Business management is used to achieve the goals and objectives of the business.

### **Functions of business management**

**P= Planning      O= Organising      L= Leading      C= Control**

- **Planning** = The first of managerial function is planning. In this step, the manager deals with the objectives and goals that the business wants to achieve.
- **Organising** = To organise a business is to provide it with everything useful or its functioning i.e. raw materials, tools and capital.  
Organising as a process involves:
  - Identification of activities.
  - Assignment of duties.
- **Leading** = Leading involves motivating and influencing people. It deals directly with supervising, motivating sub-ordinate for the achievement of organizational goals. Direction has following elements:
  - Supervision = act of watching & directing workers.
  - Motivation = means inspiring or encouraging people.
  - Leadership = Influencing the work of sub ordinates in desired direction.
  - Communication = Passing information, experience, opinion e.t.c to each other.
- **Control** = The purpose of controlling is to ensure that everything occurs in conformities with the standards. It is the measurement & correction of performance activities.

### **Business management sheet**

When people come up with good idea, they need to draw up business management sheet (business plan).

## **Description of business management sheet**

### **Quality control**

Quality control ensures the safety, durability and performance expected from products or services.

### **Sampling**

Sampling requires that a few products of batch be inspected. The sampled units are representative of the whole batch.

### **Financial control**

Financial control refers to the process whereby projections of expected future income are used to check the actual figures against.

### **Stock control**

To maintain stock levels at the desired level.

No stock – Business can lose customers

Too much stock – Can become old, outdated and obsolete.

### **Marketing**

Making customers aware of products or services and making available to them.

❖ The main components of marketing, the **Five Ps**

1. Place    2. Product    3. Price    4. Promotion    5. Personnel

### **Record keeping**

Maintaining day-to-day accurate records of the business. It will help you to identify and correct any problem on income or expense side.

### **Banking**

Banking is used in transacting business. Transfers payment between buyers and sellers of goods/services.

### **Pricing**

The pricing of goods and services. The pricing must have to give profit, sales growth and market share.

## **Packing**

Packing or putting things together into a specific package.

## **Resources**

Directing the resources of the business to achieve success and profit  
e.g personnel & raw materials.

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